

## Presbyterian Homes Obligated Group

### Statements of Financial Position

September 30, 2025 and December 31, 2024

	<u>September 30, 2025</u>	<u>December 31, 2024</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 4,243,541	\$ 10,578,204
Investments	160,683,824	138,141,276
Statutory Liquid Reserve	14,271,769	13,786,571
Accounts receivable, net	17,950,939	14,927,150
Assets whose use is limited	21,118,592	28,586,815
Property and equipment, net	467,280,330	467,080,558
Due from affiliates, net	85,075,059	83,168,709
Funds held in trust by others	21,360,197	19,953,487
Goodwill	23,835,292	26,234,673
Other assets	13,096,355	6,270,053
	<u>                    </u>	<u>                    </u>
Total assets	<u>\$ 828,915,897</u>	<u>\$ 808,727,497</u>
<b>Liabilities and Net Assets</b>		
Accounts Payable	6,887,268	\$ 8,997,014
Accrued expenses	19,754,920	20,333,310
Lines of credit	11,228,321	6,306,477
Resident deposits	4,005,373	3,457,092
Entrance fees payable	11,402,024	12,586,800
Other liabilities	3,715,606	5,328,990
Long-term debt, senior living	334,355,053	341,297,959
Deferred revenue from entrance fees	175,031,366	166,589,346
	<u>                    </u>	<u>                    </u>
Total liabilities	<u>566,379,930</u>	<u>564,896,989</u>
<b>Net Assets</b>		
Without donor restriction	230,797,847	214,304,793
With donor restriction	31,738,120	29,525,714
Total net assets	<u>262,535,967</u>	<u>243,830,508</u>
	<u>                    </u>	<u>                    </u>
Total liabilities and net assets	<u>\$ 828,915,897</u>	<u>\$ 808,727,497</u>

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## Statements of Operations and Changes in Net Assets

Period ended September 30, 2025 and year ended December 31, 2024

	September 30, 2025	December 31, 2024
<b>Net Assets Without Donor Restrictions</b>		
Revenues, gains and other support:		
Resident services:		
Resident services	\$ 169,906,902	\$ 224,505,886
Amortization of entrance fees	19,913,413	21,874,608
Total resident services	189,820,314	246,380,494
Contributions, gifts, grants and bequests	338,117	1,654,571
Government stimulus	-	721,577
Net assets released from restrictions	316,973	515,541
Total operating revenues and other support	190,475,404	249,272,183
Expenses:		
Nursing services	51,705,381	70,290,259
Rehabilitation	7,368,129	9,992,857
Recreation and special services	3,479,649	4,520,390
Pharmacy	2,005,152	2,429,238
Social Services	793,195	1,003,338
Physician Services	271,674	365,104
Dining Services	21,415,289	28,057,276
Building operations and maintenance	27,364,104	33,932,112
Housekeeping	3,626,627	4,459,200
Laundry	964,167	1,398,386
Management and general	27,470,990	35,638,778
Employee Benefits	8,980,269	12,362,249
Interest	12,180,157	16,474,519
Depreciation	21,866,879	26,811,272
Amortization	2,399,381	3,293,375
Fundraising	427,267	560,098
Total expenses before non-recurring expenses	192,318,310	251,588,453
Operating loss before gains and losses	(1,842,907)	(2,316,270)
(Loss) gain on sale and disposal of property	(142,772)	426,830
Loss on impairment of asset	-	(102,723)
Operating loss	(1,985,679)	(1,992,163)
Other income:		
Investment income, net of investment expense	4,281,534	6,162,347
Realized (loss) gain on investments	(342,212)	1,034,003
Unrealized gain on investments	14,539,410	6,737,553
Total other income	18,478,732	13,933,902
Revenues in excess of expenses	16,493,054	11,941,739
Increase in net assets without donor restrictions	16,493,054	11,941,739

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## Statements of Operations and Changes in Net Assets

Period ended September 30, 2025 and year ended December 31, 2024

	<u>September 30, 2025</u>	<u>December 31, 2024</u>
<b>Net Assets With Donor Restrictions</b>		
Contributions, gifts, grants and bequests	593,484	913,463
Investment income, net of investment expense	71,534	70,449
Unrealized gain on investments	1,864,360	1,410,235
Net assets released from restrictions	<u>(316,973)</u>	<u>(515,541)</u>
Increase in net assets with donor restrictions	<u>2,212,406</u>	<u>1,878,605</u>
Increase in net assets	18,705,460	13,820,344
<b>Net Assets, Beginning</b>	<u>243,830,508</u>	<u>230,010,163</u>
<b>Net Assets, Ending</b>	<u><u>\$ 262,535,967</u></u>	<u><u>\$ 243,830,508</u></u>

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## Statements of Cash Flows

Period ended September 30, 2025 and year ended December 31, 2024

	September 30, 2025	December 31, 2024
<b>Cash Flows From Operating Activities</b>		
Increase in net assets	\$ 18,705,460	\$ 13,820,344
Adjustments to reconcile increase (decrease) in net assets (deficit) to net cash provided by (used in) operating activities		
Depreciation	21,866,879	26,811,272
Provision for doubtful collections	977,158	1,717,937
Proceeds from non-refundable fees and deposits	30,788,248	36,694,775
Amortization of entrance fees	(19,913,413)	(21,874,608)
Unrealized gain on investments and change in fair value of funds held in trust by others	(16,403,770)	(8,147,787)
Realized loss (gain) on investments	342,212	(1,034,003)
Loss (gain) on sale of community and disposals of property and equipment	142,772	(426,830)
Contributions restricted for long-term purposes	(64,366)	(93,391)
Amortization of deferred financing costs	145,958	236,120
Amortization of bond premium	(299,927)	(457,028)
Amortization of bond discount	129,914	173,255
Amortization of goodwill	2,399,381	3,293,375
Loss on impairment of asset	-	102,723
Changes in assets and liabilities		
Accounts receivable	(2,108,491)	(577,759)
Entrance fee receivable	(1,892,455)	(833,361)
Other assets	(6,826,302)	(1,166,392)
Accounts payable	(2,109,746)	(2,199,867)
Accrued expenses	(578,390)	(282,557)
Other liabilities	(1,613,385)	1,315,133
Net cash provided by operating activities	23,687,736	47,071,352
<b>Cash Flows From Investing Activities</b>		
Acquisition of property and equipment	(22,209,422)	(35,101,456)
Proceeds from sale of property and equipment	-	5,600,000
Purchases of investments	(27,419,239)	(31,465,190)
Proceeds from sale of investments	26,514,564	29,052,366
Due from affiliates, net	(1,906,350)	2,938,870
Net cash used in investing activities	(25,020,447)	(28,975,410)
<b>Cash Flows From Financing Activities</b>		
Refunds of entrance fees and deposits	(3,258,910)	(6,063,266)
Proceeds from refundable entrance fees and deposits, resales	189,600	893,355
Proceeds from refundable entrance fees and deposits, new units	-	4,892,813
Principal payments on redemptions of long-term debt	(6,918,852)	(9,495,803)
Financing costs paid	-	(99,585)
Borrowings (repayments) on lines of credit	4,921,843	(10,443,523)
Contributions restricted for long-term purposes	64,366	93,391
Net cash used in financing activities	(5,001,952)	(20,222,618)
Net change in cash, cash equivalents and restricted cash	(6,334,664)	(2,126,676)
<b>Cash, cash equivalents and restricted cash, beginning</b>	62,023,333	64,150,009
<b>Cash, cash equivalents and restricted cash, ending</b>	<u>\$ 55,688,670</u>	<u>\$ 62,023,333</u>
Cash and cash equivalents	\$ 4,243,541	\$ 10,578,204
Restricted cash in investments	51,445,129	51,445,129
Total cash, cash equivalents and restricted cash	<u>\$ 55,688,670</u>	<u>\$ 62,023,333</u>